
HOUSE BILL 2155

State of Washington 60th Legislature 2007 Regular Session

By Representatives Hudgins, Conway, Cody, VanDeWege, Appleton, Seaquist, Williams, Chase and Simpson

Read first time 02/12/2007. Referred to Committee on Finance.

1 AN ACT Relating to a business and occupation tax credit for
2 qualifying businesses that operate call centers; reenacting and
3 amending RCW 82.32.590 and 82.32.600; adding a new section to chapter
4 82.04 RCW; adding a new section to chapter 82.32 RCW; providing an
5 effective date; and providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
8 to read as follows:

9 (1) Subject to the limits and provisions of this section, an
10 eligible person is allowed a credit against the tax due under this
11 chapter. The credit is based on qualified employment positions in
12 eligible call centers located within the state of Washington.

13 (2) The credit under this section is one thousand dollars for each
14 qualified employment position created after the effective date of this
15 act. A credit is earned if the employment position is filled for at
16 least a year. A person may not take a credit for an employment
17 position until the credit is earned. An additional credit is earned
18 for each additional year the position is filled, up to four years.

1 (3) The credit under this section may be used against taxes due
2 under this chapter and a credit earned during one calendar year may be
3 carried over to be credited against taxes incurred in a subsequent
4 calendar year. A person is not eligible to receive a credit under this
5 section if the person is receiving a tax preference under any other
6 provision of law for the same employment position. No refunds may be
7 granted for credits under this section.

8 (4) To qualify for the credit under this section:

9 (a) All employees working at the eligible call center must be
10 working legally within the United States and at least seventy-five
11 percent of the employees working within the eligible call center
12 directly provide product support or product information services;

13 (b) The person may not encourage or discourage unionization;

14 (c) At least ninety percent of the employees of the eligible person
15 and any person that has a controlling interest in the eligible person,
16 must work within the United States; and

17 (d) Health care benefits must be available to all employees working
18 at the eligible call center through the person receiving the credit.

19 (5) A person may not take a cumulative amount of credit under this
20 section in excess of five hundred thousand dollars.

21 (6)(a) The legislature finds that accountability and effectiveness
22 are important aspects of setting tax policy. In order to make policy
23 choices regarding the best use of limited state resources, the
24 legislature needs information to evaluate whether the stated goals of
25 legislation were achieved. A person taking a credit under this section
26 shall make an annual survey to the department as provided in section 2
27 of this act.

28 (b) The goal of the tax credit authorized under this section is to
29 encourage the creation, expansion, and retention of family wage jobs in
30 call centers.

31 (7) For the purposes of this section, the following definitions
32 apply:

33 (a) "Eligible call center" means a single facility or work space
34 that meets all of the following requirements:

35 (i) The facility or work space is primarily used to provide product
36 support or product information services through telephonic, electronic
37 mail, or any other widely accepted means of communication; and

1 (ii) The facility or work space is at least five thousand square
2 feet.

3 (b) "Eligible person" means a person that maintains at least twenty
4 qualified employment positions at an eligible call center every
5 calendar year in which credit is taken under this section.

6 (c)(i) "Encourage or discourage unionization" means attempting to
7 influence the decision of the person's employees in this state
8 regarding whether to support or oppose an employee organization that
9 represents or seeks to represent those employees for the purpose of
10 collective bargaining, or become a member of an employee organization.

11 (ii) "Encourage or discourage unionization" does not mean:

12 (A) Addressing a grievance or negotiating or administering a
13 collective bargaining agreement;

14 (B) Allowing an employee organization or its representatives access
15 to the employer's facilities or property;

16 (C) Performing an activity required by federal or state law or by
17 a collective bargaining agreement; or

18 (D) Negotiating, entering into, or carrying out a voluntary
19 recognition agreement with an employee organization.

20 (d) "Qualified employee" means an employee that has graduated from
21 an institution of higher education located within the state of
22 Washington.

23 (e) "Qualified employment position" means a position that pays at
24 least one hundred twenty percent of the minimum wage required under RCW
25 49.46.020(4) to a qualified employee and the position requires the
26 qualified employee to average at least thirty-five hours per week on an
27 annualized basis.

28 (8) This section expires January 1, 2012. A credit may be claimed
29 under this section on or after January 1, 2012, for any credit earned
30 during a reporting period ending before January 1, 2012.

31 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32 RCW
32 to read as follows:

33 (1) Each person claiming a tax preference that requires a survey
34 under this section must report information to the department by filing
35 a complete annual survey. The survey is due by March 31st of the year
36 following any calendar year in which the tax preference is taken. The
37 department may extend the due date for timely filing of annual surveys

1 under this section as provided in RCW 82.32.590. The survey must
2 include the amount of the tax preference taken. The survey must also
3 include the following information for employment positions in
4 Washington:

5 (a) The number of total employment positions;

6 (b) Full-time, part-time, and temporary employment positions as a
7 percent of total employment;

8 (c) The number of employment positions according to the following
9 wage bands: Less than thirty thousand dollars; thirty thousand dollars
10 or greater, but less than sixty thousand dollars; and sixty thousand
11 dollars or greater. A wage band containing fewer than three
12 individuals may be combined with another wage band; and

13 (d) The number of employment positions that have employer-provided
14 medical, dental, and retirement benefits, by each of the wage bands.

15 (2) The department may request additional information necessary to
16 measure the results of, or determine eligibility for, the tax
17 preference, to be submitted at the same time as the survey.

18 (3) All information collected under this section, except the amount
19 of the tax preference taken, is deemed taxpayer information under RCW
20 82.32.330. Information on the amount of tax preference taken is not
21 subject to the confidentiality provisions of RCW 82.32.330. If the
22 amount of the tax preference taken as reported on the survey is
23 different than the amount actually taken or otherwise allowed by the
24 department based on the taxpayer's excise tax returns or other
25 information known to the department, the amount actually taken or
26 allowed may be disclosed.

27 (4) If a person fails to submit an annual survey under this section
28 by the due date of the report or any extension under RCW 82.32.590, the
29 department shall declare the amount of the tax preference taken for the
30 previous calendar year to be immediately due and payable. The
31 department shall assess interest, but not penalties, on the amounts due
32 under this section. The interest must be assessed at the rate provided
33 for delinquent taxes under this chapter, retroactively to the date the
34 credit was claimed, and must accrue until the taxes for which the
35 credit was claimed are repaid. This information is not subject to the
36 confidentiality provisions of RCW 82.32.330.

37 (5) The department shall use the information from this section to
38 prepare summary descriptive statistics by category. No fewer than

1 three taxpayers shall be included in any category. The department
2 shall report these statistics to the legislature each year by September
3 1st.

4 (6) For the purposes of this section, "tax preference" has the
5 meaning provided in RCW 43.136.021 and includes only the tax
6 preferences requiring a survey under this section.

7 **Sec. 3.** RCW 82.32.590 and 2006 c 354 s 17, 2006 c 300 s 10, 2006
8 c 177 s 8, 2006 c 112 s 7, and 2006 c 84 s 7 are each reenacted and
9 amended to read as follows:

10 (1) If the department finds that the failure of a taxpayer to file
11 an annual survey or annual report under RCW 82.04.4452, 82.32.5351,
12 82.32.650, 82.32.635, 82.32.640, 82.32.630, 82.32.610, section 2 of
13 this act, or 82.74.040 by the due date was the result of circumstances
14 beyond the control of the taxpayer, the department shall extend the
15 time for filing the survey or report. Such extension shall be for a
16 period of thirty days from the date the department issues its written
17 notification to the taxpayer that it qualifies for an extension under
18 this section. The department may grant additional extensions as it
19 deems proper.

20 (2) In making a determination whether the failure of a taxpayer to
21 file an annual survey or annual report by the due date was the result
22 of circumstances beyond the control of the taxpayer, the department
23 shall be guided by rules adopted by the department for the waiver or
24 cancellation of penalties when the underpayment or untimely payment of
25 any tax was due to circumstances beyond the control of the taxpayer.

26 **Sec. 4.** RCW 82.32.600 and 2006 c 354 s 16, 2006 c 300 s 11, 2006
27 c 178 s 9, 2006 c 177 s 9, and 2006 c 84 s 8 are each reenacted and
28 amended to read as follows:

29 (1) Persons required to file annual surveys or annual reports under
30 RCW 82.04.4452 (~~(e)~~), 82.32.5351, or section 2 of this act must
31 electronically file with the department all surveys, reports, returns,
32 and any other forms or information the department requires in an
33 electronic format as provided or approved by the department. As used
34 in this section, "returns" has the same meaning as "return" in RCW
35 82.32.050.

1 (2) Any survey, report, return, or any other form or information
2 required to be filed in an electronic format under subsection (1) of
3 this section is not filed until received by the department in an
4 electronic format.

5 (3) The department may waive the electronic filing requirement in
6 subsection (1) of this section for good cause shown.

7 NEW SECTION. **Sec. 5.** This act takes effect August 1, 2007.

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